

Power Cost Memorandum Fuel Cost Update

Date: March 3, 2022

| | | |
|---|--|---|
| Utility Name (Cert. No.) City of Pelican (24) | Utility File No. PC105-1220E | Date Filed: February 14, 2022 |
|---|--|---|

| PCE AMOUNT SUMMARY | Previously Approved PC105-1220D <u>Date Approved:</u> August 20, 2021 | Staff Recommended Amount(s) and Effective Date PC105-1220E March 4, 2022 |
|--|---|---|
| Class Rate | | |
| Residential | \$0.0608 | \$0.0608 |
| Community up to 6,510 | \$0.1366 | \$0.1544 |
| Community over 6,511 | \$0.1366 | \$0.1497 |
| <div style="display: flex; justify-content: space-around;"> <div> <input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent </div> <div> <input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent </div> </div> | | |

| | |
|--|--|
| Prior Fuel Purchase Price: <u>\$ 3.1235</u> | New Fuel Purchase Price: <u>\$ 3.4655</u> |
| <input checked="" type="checkbox"/> Actual <input type="checkbox"/> Weighted | <input checked="" type="checkbox"/> Actual <input type="checkbox"/> Weighted |
| Delivery Charge: _____ | Surcharge Change: Previous <u>0</u> Updated <u>0</u> |

Signed: *Brenda Cox*
Brenda Cox

Utility Financial Analyst

Commission decision re. this recommendation :

| | Date (if different from 3/3/22) | I CONCUR | I DO NOT CONCUR | I WILL WRITE A DISSENTING STATEMENT * |
|----------|------------------------------------|-------------------|--------------------|---|
| Pickett | | <i>RMP</i> | | |
| Kurber | | <i>KKT</i> | | |
| Scott | | <i>AGS</i> AGS | | |
| Sullivan | | <i>DS</i> DS | | |
| Wilson | | <i>JW</i> JW | | |

Special Instructions to Staff:

* If this column is initialed, Staff will contact the Commissioner for the statement, otherwise, dissent will simply be noted at the close of the By Direction Letter or Order.

City of Pelican

APPENDIX 1

POWER COST EQUALIZATION CALCULATION FOR THE TEST PERIOD ENDING June 30, 2020

Fuel Cost Update

| | | PC105-1220D | PC105-1220E | |
|----|---|--|--------------------|----------------------|
| | | Prior Commission Approved | Utility Request | Staff Recommended |
| A. | Total KWH Generated | 1,137,744 | 1,137,744 | 1,137,744 |
| B. | Total KWH Sold (Appendix 2) | 1,017,530 | 1,017,530 | 1,017,530 |
| C. | Total Non-Fuel Costs (Appendix 2) | 176,874 | 176,874 | 176,874 |
| D. | Non-Fuel Cost/KWH (C / B) | \$0.1738 | \$0.1738 | \$0.1738 |
| E. | Total Fuel Costs (Appendix 2) | 173,289 | 192,262 | 192,262 |
| F. | Fuel Costs/KWH (E / B) | \$0.1703 | \$0.1890 | \$0.1890 |
| G. | Eligible Costs/KWH (D + F) | \$0.3441 | \$0.3628 | \$0.3628 |
| H. | Eligible Cost/KWH (G) Less 20.03 cents/kWh | \$0.1438 | \$0.1625 | \$0.1625 |
| I. | Lesser of (H) or 79.97 cents/kWh | \$0.1438 | \$0.1625 | \$0.1625 |
| J. | Average Class Rates (Appendix 3) | | | |
| | Residential | \$0.0608 | \$0.0608 | \$0.0608 |
| | Community up to 6,510 | \$0.2908 | \$0.2908 | \$0.2908 |
| | Community over 6,511 | \$0.1497 | \$0.1497 | \$0.1497 |
| | | Class Power Cost Equalization Per kWh Payable | | |
| K. | Lesser of: (I) x 95%, or (J) | | | |
| | Residential | \$0.0608 | \$0.0608 | \$0.0608 |
| | Community up to 6,510 | \$0.1366 | \$0.1544 | \$0.1544 |
| | Community over 6,511 | \$0.1366 | \$0.1497 | \$0.1497 |
| L. | Funding Level in Effect | 100% | 100% | 100% |
| | Residential | \$0.0608 | \$0.0608 | \$0.0608 |
| | Community up to 6,510 | \$0.1366 | \$0.1544 | \$0.1544 |
| | Community over 6,511 | \$0.1366 | \$0.1497 | \$0.1497 |

PC105-1220E
Appendix 1

City of Pelican

APPENDIX 2

SCHEDULE OF ELIGIBLE POWER COSTS, SALES AND EFFICIENCY FOR THE TEST PERIOD ENDING June 30, 2020

Fuel Cost Update

| | | PC105-1220D | PC105-1220E | |
|--|---|---------------------------------|----------------|----------------------|
| | | Prior Commission Approved | Per Utility | Staff Recommended |
| Non-Fuel Costs: | | | | |
| A. | Personnel Expense | 76,986 | 76,986 | 76,986 |
| B. | Operating Expense | 34,639 | 34,639 | 34,639 |
| C. | General and Administrative Expense | 30,133 | 30,133 | 30,133 |
| D. | Depreciation Expense | 35,116 | 35,116 | 35,116 |
| E. | Other Expense | 0 | 0 | 0 |
| F. | Total Non-Fuel Costs | 176,874 | 176,874 | 176,874 |
| Fuel Costs: | | | | |
| G. | Gallons Consumed for Electric Generation | 55,479 | 55,479 | 55,479 |
| H. | Price of Fuel: (per gal.) Actual Cost 8/19/2021 Invoice # 59736 | 3.1235 | 3.4655 | 3.4655 |
| I. | Total Fuel Costs | 173,289 | 192,262 | 192,262 |
| J. | Total kWh Generated | 1,137,744 | 1,137,744 | 1,137,744 |
| J.1 | Diesel kWh Generated | 736,466 | 736,466 | 736,466 |
| J.2 | Hydro kWh Generated | 401,278 | 401,278 | 401,278 |
| K. | kWh Sales | 1,017,530 | 1,017,530 | 1,017,530 |
| L. | kWh Station Service | 56,820 | 56,820 | 56,820 |
| M. | Efficiency (J.1 / G) | 13.27 | 13.27 | 13.27 |
| N. | Line Loss | 5.57% | 5.57% | 5.57% |
| (kWh generated - (kWh Sold + Station Service))/kWh generated | | | | |

Staff notes Pelican included the State motor fuel tax of \$0.05 in the cost per gallon of fuel on its Fuel Report. Staff removed the motor fuel tax from the amount reported to calculate the cost per gallon listed above. Staff removed it because fuel used by power plants for power generation are exempt and entitled to a refund of the motor fuel tax paid. (AS 43.40.015(d)(1), AS 43.40.030(d), and AS 43.40.100(C))

PC105-1220E
Appendix 2

CALCULATION OF AVERAGE CLASS RATE PER kWh

Rate Schedule: **Residential**

Customer Charge \$10.54

| (1) Block (by kWh) | (2) Rate (\$/kWh) | (3) Surcharge (\$/kWh) | (4) Total (\$/kWh) (2+3) | (5) Total \$ (1x4)+CC | (6) Avg. (\$/kWh) (5)/(1) | (7) Avg. Rate (\$/kWh) - \$ 0.2003 |
|--------------------------|-------------------------|------------------------------|-----------------------------------|--------------------------------|------------------------------------|---|
| 0 to 500 | 0.2400 | 0.0000 | 0.2400 | 130.5400 | | |
| to | | | | | | |
| to | | | | | | |
| to | | | | | | |
| Max 500 | | | Total | 130.5400 | 0.2611 | 0.0608 |

Rate Schedule:

Customer Charge;

| (1) Block (by kWh) | (2) Rate (\$/kWh) | (3) Surcharge (\$/kWh) | (4) Total (\$/kWh) (2+3) | (5) Total \$ (1x4)+CC | (6) Avg. (\$/kWh) (5)/(1) | (7) Avg. Rate (\$/kWh) - \$ 0.2003 |
|--------------------------|-------------------------|------------------------------|-----------------------------------|--------------------------------|------------------------------------|---|
| 0 to | | | | | | |
| to | | | | | | |
| to | | | | | | |
| to | | | | | | |
| Max | | | Total | | | |

Rate Schedule:

| (1) Block (by kWh) | (2) Rate (\$/kWh) | (3) Surcharge (\$/kWh) | (4) Total (\$/kWh) (2+3) | (5) Total \$ (1x4) | (6) Avg. (\$/kWh) (5)/(1) | (7) Avg. Rate (\$/kWh) - \$ 0.2003 |
|--------------------------|-------------------------|------------------------------|-----------------------------------|-----------------------------|------------------------------------|---|
| 0 to | | | | | | |
| to | | | | | | |
| to | | | | | | |
| to | | | | | | |
| Max | | | Total | | | |

Signature: 

Email: antony.scott@alaska.gov

Signature: Daniel Sullivan
Daniel Sullivan (Mar 3, 2022 14:45 AKST)

Email: daniel.sullivan@alaska.gov

Signature: Janis W. Wilson
Janis W. Wilson (Mar 3, 2022 18:31 AKST)

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Signature: 

Email: bob.pickett@alaska.gov

Signature: Keith Kurber II
Keith Kurber II (Mar 3, 2022 09:18 AKST)

Email: keith.kurber@alaska.gov

CALCULATION OF COMMUNITY FACILITY AVERAGE RATE PER kWh
TEST PERIOD: Current Rates

| Rate Schedule: Community | | Customer Charge | | 10.54 |
|---------------------------------|---------------------|------------------------------|---|--|
| (1) Block | (2) Rate/ kWh | (3) Surcharge (\$/kWh) | (4) Total (\$/kWh) <small>((2+3)*500+CC)</small> | (6) Average Rate (4/1)(\$/kWh)- \$ 0.2003 |
| 0 to 6,510 | 0.4700 | | 0.4911 | 0.2908 |
| 6511 to | 0.3500 | | 0.3500 | 0.1497 |
| to | | | | |
| | | | | |

Rate Schedule:

| (1) Block | (2) Rate/ kWh | (3) Surcharge (\$/kWh) | (4) Total (\$/kWh) (2+3) | (6) Average Rate(\$/kWh)- \$ 0.2003 |
|--------------|---------------------|------------------------------|-----------------------------------|--|
| 0 to | | | | |
| to | | | | |
| to | | | | |
| | | | | |

Rate Schedule:

| (1) Block | (2) Rate/ kWh | (3) Surcharge (\$/kWh) | (4) Total (\$/kWh) (2+3) | (6) Average Rate(\$/kWh)- \$ 0.2003 |
|--------------|---------------------|------------------------------|-----------------------------------|--|
| 0 to | | | | |
| to | | | | |
| to | | | | |
| | | | | |

Rate Schedule:

| (1) Block | (2) Rate/ kWh | (3) Surcharge (\$/kWh) | (4) Total (\$/kWh) (2+3) | (6) Average Rate(\$/kWh)- \$ 0.2003 |
|--------------|---------------------|------------------------------|-----------------------------------|--|
| 0 to | | | | |
| to | | | | |
| to | | | | |
| | | | | |